

ARTICLE APPEARED
ON PAGE **B-9**

NEW YORK TIMES
5 DECEMBER 1980

Conservatives Aid Transition Plans Behind the Scenes

By BERNARD WEINRAUB

Special to The New York Times

WASHINGTON, Dec. 4 — Working from an out-of-the way, white brick building in northeast Washington that once housed a Korean grocery and a halfway house for drug addicts, a team of little-known academics and Congressional aides has produced a 3,000-page plan for conservative government and emerged in recent weeks as a major force in Ronald Reagan's transition to the Presidency.

The group of about 250 people, most of them volunteers, has been guided by the Heritage Foundation, a conservative-research organization that began six years ago with a \$250,000 gift from Joseph Coors and now operates with an annual budget of \$5 million, primarily from individual donations.

"Six years ago we virtually began in a phone booth," Hugh Newton, a public relations adviser, said of the foundation, whose original aim was to offer the conservative point of view on such issues as the economy and the military.

"Six years from now we may be back in the same phone booth," he continued. "But in the meantime it sure is nice to have this attention and to create this blueprint for the change in government."

On Its Own Initiative

The foundation rather took matters into its own hands last year when its trustees decided that the organization should devise proposals for a possible conservative government in 1980. Among the trustees are William E. Simon, former Secretary of the Treasury; Shelby Cullom Davis, former Ambassador to Switzerland; Jack Eckerd, former head of the General Services Administration; and Mr. Coors, the Colorado brewer, who is a prominent donor to conservative causes.

"We knew that when the Nixon Administration took over, so much time was spent learning who was who and what was going on that it was months before anyone could look at policy matters," said Herb Berkowitz, the foundation's

public relations director. "So the trustees decided, why don't we come up with policy initiatives on our own?"

"Our strong feeling," said the foundation's 39-year-old president, Edwin J. Feulner, a former aide to Representative Philip M. Crane, Republican of Illinois, "was that people who came into the administration should have some source of information and guidance other than what you get from the incumbents that you replace."

"In the Nixon transition," he said, "we were briefed by the Democrats, the very people whose jobs were at stake and who had a vested interest in maintaining the status quo."

From Energy to Agriculture

The foundation's extraordinarily detailed 20-volume report, which is being used as a guideline by the Reagan team, includes proposals that range from abolishing the Department of Energy by 1982, to returning most functions of the Environmental Protection Agency to the states or other government offices, to increasing the 1981 military budget by \$20 billion.

There are also ideas to revoke limits on intelligence-collecting activities, to blunt the influence of the National Security Council and to use agricultural exports as a weapon in foreign policy.

Whether some, or any, of the proposals will be carried out by the new administration remains to be seen, but officials at the Heritage Foundation are fairly convinced that their document will serve as the underpinning for the new government and a measure of what Mr. Reagan and his aides should aspire to. Edwin Meese 3d, the director of Mr. Reagan's transition team, and E. Pendleton James, the personnel chief, have already lauded the scope and aims of the study.

"One of the things that we conservatives are going to have to do now is start thinking in a whole new mindset," Mr. Feulner said. "In the past so many of our activities have been against things. Now

how do you start thinking more positively in terms of conservative initiatives?"

The 'Fat and Lazy' Liberals

"Frankly, I think conservatives are a lot tougher, a lot more rigorous, than liberals think," he said. "We were outnumbered in college, we've been out of the mainstream. This has made us a lot tougher than liberals, a lot more rigorous in terms of analyzing problems and coming up with sensible conclusions."

"The liberals have been in power so long and, frankly, they've gotten kind of fat and lazy," Mr. Feulner continued. He added, however, that conservatives in general, and Mr. Reagan specifically, might have only a brief time to impress the country.

"I just hope he does what people like Irving Kristol and Jack Kemp have suggested," Mr. Feulner said, referring to the essayist and scholar from New York University and the Republican Congressman from Buffalo. "Move in there and make some dramatic changes. Send forth as many initiatives as possible. Do as much as you can by executive order to show the country, to show your base out there, that this is a new day, that there's real direction now in the White House."

"The honeymoon is so short," he said. "After you've been here more than 60 or 90 days, people start looking on you as part of the problem rather than part of the solution."